

2022 Industry Concentration

AUGUST 2023



Industry Concentration

Industry concentration analysis using location quotients (LQ) helps identify the industries that are more specialized in an area. Businesses that are more specialized due to exporting goods and services, or because they draw customers in from outside the state, are important sources of new income for an area.

A high LQ for an industry indicates that the industry is more specialized, and employment is more concentrated for that industry in the state compared to the United States. This could be because that industry is more export oriented or is drawing customers into the state.

All industries can be grouped into one of two domains: *Goods-Producing* and *Service-Providing*. *Goods-Producing* industries represent 18 percent of Missouri's employment, while *Service-Providing* industries represent 82 percent. This is very similar to the makeup of the nation's employment, as Missouri's *Goods-Producing* and *Service-Providing* industry domains both have an LQ of 1.

About Location Quotients:

Location Quotient (LQ) is a ratio of the relative distribution of industry employment in a region to that industry's distribution in a larger economy. For example, an LQ of 1.9 in the Dairy Product Manufacturing industry suggests that this industry's share of the state economy is almost twice as large as its share of the national economy (see endnotes for additional details).

Overall, the *Manufacturing* sector in Missouri has an LQ of 1.18, indicating the industry is more concentrated in the state than in the U.S. At the three-digit NAICS industry level, *Manufacturing* represents six of the top 10 most concentrated industries in Missouri. The rest of the top 10 industries are *Service-Providing*, with *Gasoline Stations and Fuel Dealers* and *Computing Infrastructure Providers* having the highest LQs. Of the top ten industries with the highest LQ, *Computing Infrastructure Providers* had the fastest growth rate between 2021 and 2022 at 9.6 percent.

Top 10 Industry Concentrations

NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
457	Gasoline Stations and Fuel Dealers	1.56	2,718	30,181	\$28,979	1.7%
518	Computing Infrastructure Providers and Related Services	1.56	1,207	13,648	\$145,248	9.6%
335	Electrical Equipment and Appliances Manufacturing	1.48	225	11,272	\$65,362	5.3%
336	Transportation Equipment Manufacturing	1.44	382	46,291	\$86,525	5.4%
323	Printing and Related Support Activities	1.42	607	10,074	\$50,324	3.9%
484	Truck Transportation	1.42	4,003	41,892	\$60,022	3.1%
333	Machinery Manufacturing	1.38	682	28,654	\$64,483	8.7%
311	Food Manufacturing	1.35	706	42,824	\$60,210	2.5%
325	Chemical Manufacturing	1.32	562	22,266	\$81,706	6.1%
622	Hospitals	1.3	336	124,613	\$73,273	-1.7%

Only includes industries with employment greater than 5,000

The **Gasoline Stations and Fuel Dealers** industry has an LQ of 1.56, with 2,718 establishments employing 30,181 workers in 2022. Examples include:

- Break Time
- Casey's
- QuickTrip

Gasoline Stations and Fuel Dealers						
NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
4571	Gasoline Stations	1.62	2,552	29,184	\$27,461	1.8%
4572	Fuel Dealers	0.74	166	997	\$73,414	3.3%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022 Annual Private sector NAICS 4-digit industries in Missouri. Accessed JUN 2023

The **Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services** industry has an LQ of 1.56, with 1,207 establishments employing 13,648 workers in 2022. Examples include:

- National Information Solutions in the St. Louis area
- Socket Telecom LLC in Columbia
- Data Systems International in Kansas City

The **Electrical Equipment, Appliances, and Component Manufacturing** industry has an LQ of 1.48, with 225 establishments employing 11,272 workers in 2022. Within this industry, *Other Electrical Equipment and Component Manufacturing*, has the highest LQ, at 2.22, as well as the highest employment, with over 6,000 jobs. Examples include:

- EaglePicher Technologies in Joplin and the St. Louis area
- Regal Rexnord in Cassville
- EnerSys in Warrensburg

Electrical Equipment, Appliance, and Component Manufacturing Industry Concentrations						
NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
3359	Other Electrical Equipment & Components	2.2	103	6,355	\$60,842	4.8%
3353	Electrical Equipment Manufacturing	1.52	73	4,058	\$73,503	5.1%
3351	Electric Lighting Equipment Mfg	0.71	28	534	\$66,828	1.9%
3352	Household Appliance Manufacturing	0.25	22	325	\$49,705	26.5%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022 Annual Private sector NAICS 4-digit industries in Missouri. Accessed JUN 2023

The **Transportation Equipment Manufacturing** industry has an LQ of 1.44, with 382 establishments employing 46,291 workers in 2022. Within this industry, *Motor Vehicle Manufacturing* is more than twice as concentrated in Missouri compared to the United States. *Aerospace Products and Parts Manufacturing* employ 17,198 workers across 66 establishments. Examples of *Transportation Equipment Manufacturing* employers include:

- Ford Motor Company in Claycomo
- General Motors in Wentzville
- Tracker Boats in Lebanon and other locations

Transportation Equipment Manufacturing Industry Concentrations						
NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
3361	Motor Vehicle Manufacturing	2.24	26	11,720	\$90,123	3.9%
3364	Aerospace Product & Parts Manufacturing	1.83	66	17,198	\$117,408	0.9%
3369	Other Transportation Equipment Mfg	1.51	22	1,149	\$54,607	11.3%
3366	Ship and Boat Building	1.1	21	3,112	\$46,598	5.0%
3365	Railroad Rolling Stock Manufacturing	1.01	12	383	\$64,803	5.2%
3363	Motor Vehicle Parts Manufacturing	0.97	153	10,047	\$56,246	15.7%
3362	Motor Vehicle Body and Trailer Mfg	0.84	83	2,682	\$49,302	4.5%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022 Annual Private sector NAICS 4-digit industries in Missouri. Accessed JUN 2023

The **Printing and Related Support Activities** industry has an LQ of 1.42, with 607 establishments employing 10,074 workers in 2022. Examples include:

- LSC Communications in various locations
- Deluxe Corporation in Maryville
- Command Web in Jefferson City

The **Truck Transportation** industry has an LQ of 1.42, with 4,003 establishments employing 41,892 workers in 2022. This industry comprises the more detailed industries of *General Freight Trucking* and *Specialized Freight Trucking*, with LQs of 1.43 and 1.42, respectively. Examples include:

- Unigroup Worldwide in Fenton
- Prime Inc. in Springfield
- YRC Freight in various locations

Truck Transportation Industry Concentrations						
NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
4841	General Freight Trucking	1.43	2,519	29,681	\$61,047	4.4%
4842	Specialized Freight Trucking	1.42	1,484	12,211	\$57,531	0.0%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022 Annual Private sector NAICS 4-digit industries in Missouri. Accessed JUN 2023

The **Machinery Manufacturing** industry has an LQ of 1.38, with 682 establishments employing 28,654 workers in 2022. *HVAC and Commercial Refrigeration Equipment Manufacturing* is heavily represented in the industry, with an LQ of 3.13 and an employment of 8,372. Examples include:

- Hitachi ABB in Jefferson City
- Loren Cook in Springfield
- Briggs & Stratton in Poplar Bluff

Machinery Manufacturing Industry Concentrations						
NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
3334	HVAC and Commercial Refrigeration Equip	3.13	76	8,372	\$60,241	5.4%
3336	Turbine and Power Transmission Equipment	2.15	35	3,601	\$57,786	9.2%
3333	Commercial & Service Industry Machinery	1.67	62	2,842	\$70,865	8.3%
3335	Metalworking Machinery Manufacturing	1.64	176	5,018	\$60,124	0.1%
3339	Other General Purpose Machinery Mfg	1.04	158	5,455	\$69,670	7.6%
3332	Industrial Machinery Manufacturing	0.66	100	1,609	\$76,180	12.8%
3331	Agriculture, Construction, and Mining Machinery	0.44	75	1,759	\$73,651	77.9%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022 Annual Private sector NAICS 4-digit industries in Missouri. Accessed JUN 2023

The **Food Manufacturing** industry has an LQ of 1.35, with 706 establishments employing 42,824 workers in 2022. *Animal Food Manufacturing* has a very high LQ, at nearly four times the national average. *Animal Slaughtering and Processing* has the highest employment in this industry, with 17,332 jobs across 155 establishments. Examples include:

- Tyson Foods in various locations
- Nestle Purina in various locations
- Kraft Foods in Springfield

Food Manufacturing Industry Concentrations						
NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
3111	Animal Food Manufacturing	3.96	100	5,318	\$97,712	3.3%
3112	Grain and Oilseed Milling	2.18	40	2,587	\$63,406	3.5%
3115	Dairy Product Manufacturing	1.91	41	5,750	\$63,006	2.4%
3116	Animal Slaughtering and Processing	1.74	155	17,332	\$51,590	1.4%
3114	Fruit, Vegetable, & Specialty Foods Mfg	1.1	51	3,659	\$58,672	-0.7%
3119	Other Food Manufacturing	0.88	140	4,148	\$60,758	9.6%
3118	Bakeries and Tortilla Manufacturing	0.55	144	3,404	\$42,980	0.4%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022 Annual Private sector NAICS 4-digit industries in Missouri. Accessed JUN 2023

The **Chemical Manufacturing** industry has an LQ of 1.32, with 562 establishments employing 22,266 workers in 2022. Examples include:

- Honeywell Manufacturing & Technologies in Kansas City
- Mississippi Lime Company in Ste. Genevieve
- Procter & Gamble in St. Louis

Chemical Manufacturing						
NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
3253	Agricultural Chemical Manufacturing	3.15	55	2,217	\$92,537	1.0%
3256	Cleaning Compound and Toiletry Manufacturing	2.19	87	4,800	\$70,264	-3.3%
3255	Paint, Coating, & Adhesive Manufacturing	1.67	61	2,098	\$74,253	2.4%
3251	Basic Chemical Manufacturing	1.28	84	3,631	\$78,230	3.5%
3259	Other Chemical Preparation Manufacturing	1.22	61	1,890	\$72,423	0.7%
3254	Pharmaceutical & Medicine Manufacturing	1.05	185	6,824	\$93,090	22.6%
3252	Resin, Rubber, and Synthetic Fibers	0.45	28	807	\$80,394	-3.4%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022 Annual Private sector NAICS 4-digit industries in Missouri. Accessed JUN 2023

The **Hospitals** industry has an LQ of 1.3, with 336 establishments employing 124,613 workers in 2022. *General Medical and Surgical Hospitals* dominates the *Hospitals* industry, with an LQ of 1.33 and 118,126 jobs across 261 establishments. Examples include:

- CoxHealth in the Springfield area
- Barnes-Jewish Hospital in St. Louis
- Mercy Hospital in various locations

Hospitals Industry Concentrations						
NAICS	Industry	Industry LQ	Establishments	Jobs	Annual Wage	Job Growth 2021-2022
6221	General Medical and Surgical Hospitals	1.33	261	118,126	\$73,868	-1.8%
6223	Other Hospitals	0.95	50	4,330	\$66,603	-1.3%
6222	Psychiatric & Substance Abuse Hospitals	0.94	25	2,157	\$54,079	-0.5%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022 Annual Private sector NAICS 4-digit industries in Missouri. Accessed JUN 2023

Location Quotient Formula:

$$LQ = \frac{ei/e}{Ei/E}$$

e_i = Local employment in industry i

e = Total local employment

E_i = Reference area employment in industry i

E = Total reference area employment

- **LQ less than 1.0** indicates that an industry is less concentrated in the state than in the nation
- **LQ equal to 1.0** indicates that an industry in the state is as concentrated as in the nation
- **LQ greater than 1.0** indicates that an industry is more concentrated in the state than in the nation

Sources:

U.S. Bureau of Labor Statistics. Quarterly Census of Employment and Wages, private sector, 2022 annual data. <http://www.bls.gov/cew/>. Accessed June 2023. This data has a time-release lag to ensure all data is reported from various sectors and geographic locations.

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